

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF B & H)	CASE NO. 91-127-R
GAS COMPANY, INC.)	

O R D E R

On January 13, 1992, in Case No. 91-127, the Commission approved certain adjusted rates for B & H Gas Company, Inc. ("B & H") and provided for their further adjustment in accordance with its gas cost adjustment ("GCA") clause.

On June 3, 1996, B & H filed to eliminate its last tracking adjustment remaining from its quarterly gas cost adjustment mechanism which was formerly in effect.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. B & H's notice set out its gas cost of \$3.8421 per Mcf.
2. The notice set out the expiration of all tracking adjustments; the total actual adjustment, total refund adjustment, and total balancing adjustment are all 0.
3. The purchased gas cost rate is \$3.8421, 4.2 cents per Mcf more than the prior rate. This reflects the deletion of the last actual adjustment.
4. There was an error in B & H's calculation of its rate for over 30 Mcf usage. The rate should be \$5.1524 instead of \$5.1460.

5. The revised rates in the Appendix to this Order are fair, just, and reasonable, in the public interest, and should be effective for service rendered on and after July 3, 1996.

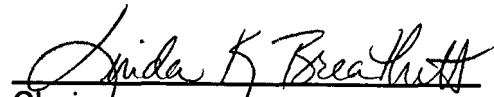
IT IS THEREFORE ORDERED that:

1. The rates in the Appendix to this Order are fair, just, and reasonable and are effective for service rendered on and after July 3, 1996.


2. Within 30 days of the date of this Order, B & H shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 27th day of June, 1996.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 91-127-R DATED JUNE 27, 1996

The following rates and charges are prescribed for the customers in the area served by B & H Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the date of this Order.

RATES:

		<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
First	2 Mcf	\$4.7938	\$7.6842	\$12.4780
Next	8 Mcf	1.9788	3.8421	5.8209
Next	20 Mcf	1.5611	3.8421	5.4032
Over	30 Mcf	1.3103	3.8421	5.1524

A surcharge in the amount of 3 cents per Mcf shall be added to the above rates until the obligation owed Kentucky-West Virginia Gas Company has been discharged or is recalculated.